

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP
OCTOBER 7, 2009**

DIRECTORS PRESENT

Glenn Acosta, Committee Member
Matt Disston, Committee Chair (arrived at 7:30 a.m.)

STAFF PRESENT

Don Chadd, General Manager
Hector Ruiz, District Engineer
Sharon E. Smith, Secretary/Treasurer
Teresa Teichman, Assistant to the General Manager
Michael Perea, Special Projects Manager

PUBLIC PRESENT

No members of the public were present.

CALL MEETING TO ORDER

Committee Member Acosta called the October 7, 2009 Finance/Audit Committee Meeting to order at 7:12 a.m.

VISITOR PARTICIPATION

Public comments were announced. No comments were received.

ORAL COMMUNICATION

Oral communication was announced. No comments were received.

COMMITTEE MEMBER COMMENTS

There were no comments.

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REPORT FROM THE GENERAL MANAGER

Mr. Don Chadd, General Manager, stated that the District received the final payment from the State of California, Office of Emergency Services, for the October 2007 fire occurrence.

Mr. Chadd also stated that the executed State Revolving Fund Loan Funding Agreement for the Rose Canyon and Lang Wells Upgrades was received from the State of California.

ACTION ITEMS

ITEM NO. 1) FINANCE/AUDIT COMMITTEE MEETING RECAP

The September 15, 2009 Finance/Audit Committee Meeting Recap was presented to the Committee. No changes were made to the Recap.

Recommendation: The Committee recommended that the September 15, 2009 Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar)

ITEM NO. 2) OTHER MATTERS

Mr. Chadd stated that he and District staff attended a meeting with representatives from the City of Rancho Santa Margarita relating to the implementation of the City's water ordinance.

ITEM NO. 3) STATUS UPDATE RELATING TO CALIFORNIA DROUGHT AND WATER CONSERVATION EFFORTS

The status of the recent water conservation efforts was discussed.

Recommendation: The Committee received and filed the status update. No action required.

ITEM NO. 4) TREASURER'S REPORT

ITEM NO. 4A) PRESENTATION OF AUGUST 2009 UNAUDITED FINANCIAL STATEMENT

Ms. Sharon Smith, Secretary/Treasurer, reviewed the August 31, 2009 preliminary unaudited financial statement. Revenue is 13.3% collected year-to-date.

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Water sales, residential and agricultural, were lower than prior year. Customer service revenue was less due to the change in the late charge policy. Sanitation revenues were higher than August of 2008 due to the payment of invoices owed by others. An increase in reclaimed and recycled water sales of \$32,000 occurred over prior year.

Operating expenses, 14% of budget, were about \$50,000 less than August of 2008. The only anomaly that occurred related to a timing issue of paying the District's pro-rata share of the Local Agency Formation Commission budget.

Non operating revenues were briefly reviewed. Property taxes-unrestricted totaled \$43,250 compared to \$9,810 during the prior period. Additionally, the District received \$14,400 from the ACWA/JPIA for the retroactive premium adjustment for the years 1993 to 1995.

Recommendation: The Committee recommended that the Board receive and file the August 2009 preliminary unaudited financial statement, as presented. (Consent Calendar)

4B) BILLS FOR CONSIDERATION

The bills for consideration were presented.

Recommendation: The Committee recommended that the Board ratify payment of the October 7, 2009 bills for consideration in the amount of \$326,003.21 and September 2009 payroll in the amount of \$157,843.10, as presented. (Consent Calendar)

ADJOURNMENT

Committee Member Acosta adjourned the October 7, 2009 Finance/Audit Committee Meeting at 7:24 a.m. Following adjournment, Committee Chair Disston was provided a review of the financials and signed the bills for consideration.